

FISCAL NOTE

Bill #: SB0313 **Title:** Allow school district to transfer general fund balance into misc. programs fund

Primary Sponsor: Kitzenberg, S **Status:** As Introduced

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|-------------------|------|---------------------------------|------|
| Sponsor signature | Date | Chuck Swysgood, Budget Director | Date |
|-------------------|------|---------------------------------|------|

Fiscal Summary

| | FY 2004 <u>Difference</u> | FY 2005 <u>Difference</u> |
|--|--------------------------------------|--------------------------------------|
| Expenditures: | | |
| General Fund | \$4,500,000 | \$4,500,000 |
| Revenue: | \$0 | \$0 |
| Net Impact on General Fund Balance: | (\$4,500,000) | (\$4,500,000) |

- | | |
|--|--|
| <input checked="" type="checkbox"/> Significant Local Gov. Impact <input type="checkbox"/> Included in the Executive Budget <input type="checkbox"/> Dedicated Revenue Form Attached | <input type="checkbox"/> Technical Concerns <input type="checkbox"/> Significant Long-Term Impacts <input type="checkbox"/> Needs to be included in HB 2 |
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Fiscal Analysis

ASSUMPTIONS:

1. The total ending fund balances for all school districts on June 30, 2002 was \$82.2 million. For FY 2003, school districts earmarked \$64.33 million for general fund operating reserves. Districts re-appropriated \$13.33 million to fund district general fund budgets. The remaining \$4.5 million was set-aside as "excess reserves" as allowed by 20-9-104(5).
2. Under SB 313, after the school trustees have designated the amount for the operating reserve, the remainder of the district's general fund ending fund balance could be transferred to the miscellaneous programs fund of the district.
3. The present law estimates of fund balance re-appropriated to reduce BASE budget mills in FY 2004 and FY 2005 is \$12.96 million annually. If these funds are transferred to the Miscellaneous Programs Fund of school districts, the cost of state GTB is estimated to increase by \$4.5 million annually.

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

Under current law, districts must use their general fund balance first for an operating reserve and then to reduce property taxes. SB 313 allows school districts to use their general fund balance first for an operating reserve and then to either increase expenditures or reduce property taxes. To the extent districts use the funds to increase expenditures property taxes will be increased.